

GENERAL FUND REVENUES

MAJOR REVENUE ASSUMPTIONS

Taxes increased by \$7.3 million, or 9% over 2005-06 budget

- **Sales tax** estimated to increase \$4.5 million for 2007-08 biennium which represents a 6% annual growth.
 - Assumes no impact from Streamlined Sales Tax legislation (expect potential loss of approximately \$1 million/year to be fully mitigated).
 - No new major retailers included.
 - Microsoft development is not expected to generate any additional sales tax revenue due to the high-tech sales tax exemption.
 - Note: The high-tech sales tax exemption has cost the City \$15.6 million since its inception.
 - Includes continuation of Council policy to transfer \$2.2 million of sales tax on construction to the CIP.
- **Property taxes** expected to increase \$2.2 million for 2007-08.
 - Assumes 1% increase per year allowable under current law (\$250,000) plus new construction at \$400,000/yr.
- Increases in **utility tax** revenues due primarily to expected rate increases by Puget Sound Energy.

Development Review increased by \$3.3 million, or 46% over 2005-06 budget

- Increase due to new fee structure enacted in March and May, 2006. This new structure assumes a 85%-90% cost recovery.
 - Does not include any fees associated with fast tracking the Microsoft development as these revenues and costs will be accounted for in a separate fund.

Licenses and Permits to increase \$1.6 million, which represents 31% over 2005-06 Budget.

- **Business license fee** increased by \$6.75 from \$28.25 to \$35.00 to capture effects of inflation from 2000 to 2006.
 - The total business license fee will be \$90, including the Transportation surcharge of \$55 which has been reinstated by Council on a permanent basis.
 - Assumes taxable employees of 67,980 and 70,019 for 2007 and 2008, respectively.
- **Cable TV** reflects more realistic projections based on historical trends.

Intergovernmental Revenue to increase \$1.1 million or 6% growth over 2005-06 budget.

- Growth in **State shared** revenues due primarily to 9 cents gas tax increase enacted in July 2005 being phased in through September 2007, and higher Liquor Board profits and excise tax revenues.
- Assumes continuation of current fire services contract with **Fire District No. 34**. District's share of expenses estimated at approximately 33% of the Fire Department's budget plus its Capital Improvement Program (CIP).

- Higher payment is a result of the rising cost of existing services and programs, new positions to keep stations open and planned CIP expenditures.
- **Overhead** charges to Advance Life support and City utilities increased by \$343,000 to reflect market-based adjustments, merit increases and inflation.
- No revenues from the **City of Sammamish** due to expiration of the fire services contract at the end of 2005.

Other revenues to increase \$154,000 or 9% over 2005-06 budget

- Higher interest rates are expected to boost **interest earnings**.
- Eliminated **fine and forfeit** revenue as King County District Court will retain 100% of these fees to pay for its services.

GENERAL FUND REVENUES

SUMMARY BY CATEGORY

	2005-2006 Budget	2007-2008 Final Budget	Budget to Budget Difference	2-year % change	1-year % change
Beginning Fund Balance					
Beginning Fund Balance*	\$3,830,954	\$3,497,604	(\$333,350)	-8.7%	-4.4%
Total Beginning Fund Balance	\$3,830,954	\$3,497,604	(\$333,350)	-8.7%	-4.4%
Taxes					
Sales and Use Tax	\$38,629,271	\$43,137,026	\$4,507,755	11.7%	5.8%
Sales Tax on Construction	(\$2,200,000)	(\$2,200,000)	\$0	0.0%	0.0%
Property Tax	\$22,775,001	\$24,996,322	\$2,221,321	9.8%	4.9%
Utility Tax	\$17,271,395	\$17,963,265	\$691,870	4.0%	2.0%
Garbage Tax	\$913,545	\$947,729	\$34,184	3.7%	1.9%
Other Taxes	\$1,078,431	\$956,960	(\$121,471)	-11.3%	-5.6%
Total Taxes	\$78,467,643	\$85,801,302	\$7,333,659	9.3%	4.7%
Development Review					
Bldg insp & Plan Reviews	\$828,862	\$985,077	\$156,215	18.8%	9.4%
Commerical Building Permit	\$700,000	\$995,245	\$295,245	42.2%	21.1%
Engineering Plan Check Fees	\$500,000	\$1,035,757	\$535,757	107.2%	53.6%
Multifamily Building permits	\$500,000	\$310,886	(\$189,114)	-37.8%	-18.9%
Planning Fees	\$800,000	\$1,941,305	\$1,141,305	142.7%	71.3%
Plumbing, Electrical, & Heating	\$1,535,000	\$2,486,439	\$951,439	62.0%	31.0%
Residential Build Permit	\$1,400,000	\$1,500,000	\$100,000	7.1%	3.6%
Technology Surcharge	\$179,146	\$299,475	\$120,329	67.2%	33.6%
Tenant Improv Build Permit	\$600,000	\$746,433	\$146,433	24.4%	12.2%
Total Development Review	\$7,043,008	\$10,300,617	\$3,257,609	46.3%	23.1%
Licenses and Permits					
Business License & Penalty	\$3,648,491	\$4,978,483	\$1,329,992	36.5%	18.2%
Cable Franchise Fee	\$1,120,209	\$1,420,135	\$299,926	26.8%	13.4%
Other	\$222,569	\$159,074	(\$63,495)	-28.5%	-14.3%
Total Licenses and Permits	\$4,991,269	\$6,557,692	\$1,566,423	31.4%	15.7%
Intergovernmental Revenue					
Emergency Dispatch	\$231,018	\$222,000	(\$9,018)	-3.9%	-2.0%
Federal/State Grants	\$277,572	\$16,000	(\$261,572)	-94.2%	-47.1%
Fire - KC Fire District #34	\$8,799,848	\$9,780,550	\$980,702	11.1%	5.6%
Fire - Eastside Maintenance	\$100,000	\$144,025	\$44,025	44.0%	22.0%
Fire - Sammamish Contract	\$667,894	\$0	(\$667,894)	-100.0%	-50.0%
Fire - Emergency Services	\$900,000	\$1,121,682	\$221,682	24.6%	12.3%
Overhead Payments	\$4,509,537	\$4,852,376	\$342,839	7.6%	3.8%
State Shared Revenue	\$1,223,451	\$1,391,837	\$168,386	13.8%	6.9%
Other Intergovernmental Rev	\$1,409,260	\$1,734,388	\$325,128	23.1%	11.5%
Total Intergovernmental Revenue	\$18,118,580	\$19,262,858	\$1,144,278	6.3%	3.2%
Other Revenue					
Charges for Services	\$451,238	\$555,002	\$103,764	23.0%	11.5%
Fines & Forfeitures	\$198,652	\$0	(\$198,652)	-100.0%	-50.0%
Investment Earnings	\$669,564	\$990,348	\$320,784	47.9%	24.0%
Other Revenue	\$426,416	\$354,509	(\$71,907)	-16.9%	-8.4%
Total Other Revenue	\$1,745,870	\$1,899,859	\$153,989	8.8%	4.4%
Grand Total	\$114,197,324	\$127,319,932	\$13,122,608	11.5%	5.7%

*Note: Does not include unallocated economic contingency of \$1.0 million.